

Second, based on more than three months of operational experience, traffic flows have been essentially even¹, and this pattern is certain to continue for several reasons:

- APC does not charge subscribers for the first minute of incoming calls, so there is no reason to discourage such calls.
- APC subscribers automatically receive Caller ID, so they have no disincentive to making their mobile phone number widely known.
- There are no uncompleted incoming calls on APC's system. If the subscriber's handset is turned off or busy, or if the subscriber chooses not to answer the incoming call, that call is routed automatically to a voice mail system. Not only does this re-direction contribute to an even traffic flow, but it provides Bell Atlantic with additional revenues whenever (1) the calling party pays a usage charge (e.g., for toll or local measured service), (2) the call generates access charges because it is inter LATA in nature, or (3) the mobile subscriber uses a landline phone to retrieve his or her messages.²

Third, zero-based compensation is efficient and administratively simple. It avoids the need for Bell Atlantic and APC to determine the actual costs of terminating calls -- which are likely de minimis in Bell's case -- and provides both of our companies to be as efficient as possible in designing and operating our networks. Zero-based compensation accordingly is not only justified from a legal and policy perspective, but from an economic perspective as well.

For those reasons, each of our companies should bear its own cost for all elements of call termination except entrance facilities.³ The costs of entrance facilities should be divided evenly between APC and Bell Atlantic, since those facilities are used to carry traffic in both directions. We are willing to pay one-half of Bell's dedicated access charges for those facilities. At the same time, however, we want the interconnection agreement to permit APC to interconnect only at a single tandem, rather than being

¹ In its recent NPRM on mutual compensation, the Commission recognized that bill and keep is economically efficient when switching costs are low or -- even if such costs are not low -- when traffic flow is relatively balanced. In APC's case, Land to Mobile traffic accounts for approximately 41 percent of the total call volume exchanged between APC's wireless network and the wireline network. Interconnection Between Exchange Carriers and Commercial Mobile Radio Service Providers, FCC 95-105, CC Docket No. 95-185 (released January 11, 1996) at ¶ 61. This holds true not just for end office switching and call termination, but for all elements of the network.

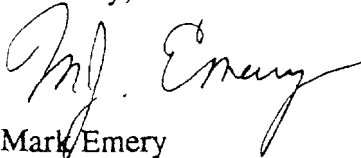
² Messages may be retrieved by dialing an 800 number, producing access revenues for Bell Atlantic.

³ Obviously, the agreement should discontinue the 25 dollar per trunk surcharge, based on the FCC's determination that CCL charges should not be assessed on CMRS providers. As the Commission explained, the CCL "represents a subsidy from LECs' interstate access customers to reduce the subscriber line charges paid by end-user subscribers for loop facilities that are dedicated to their use." Interconnection NPRM at ¶ 68. Accordingly, the FCC said it does "not envision that the LECs would charge CMRS providers the carrier common line charge" -- and Bell Atlantic should not do so indirectly (through the 25 dollar surcharge).

forced to interconnect at a tandem in each relevant area code. The current approach imposes unnecessary costs on us and forces us to backhaul a significant amount of traffic.

I look forward to meeting with you so that we may rapidly finalize a permanent, mutually beneficial interconnection agreement. Because APC is in the process of developing a position for our comments to the FCC on the Interconnection NPRM, and would like to advise the Commission of our progress in this area, I suggest that we arrange a meeting during the week of February 19th. I will contact you shortly to make such arrangements. In the mean time, please feel free to call me at (301) 214-9261 if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "M. Emery".

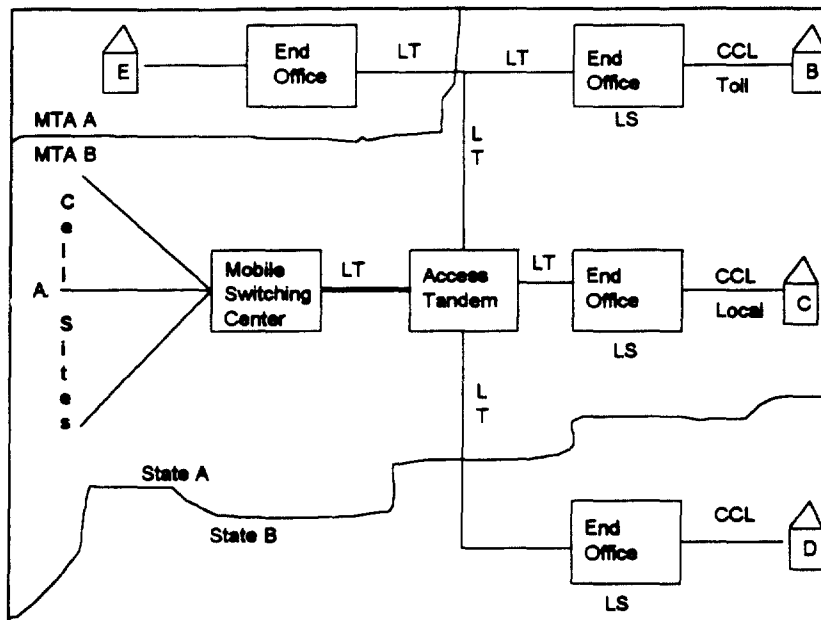
Mark Emery
Vice President Operations

cc: Ms. Helen Seltzer
Ms. Anne Schelle
Mr. Jeff Linder
Mr. Steve Zweifach

APPENDIX 3

Bell Atlantic Mutual Compensation Plan

Mobile to Land Calling



1. From A to B

Wireless Call Type: IntraMTA

Wireline Call Type: Intrastate Toll Call

Charges: Full Intrastate Access Rates i.e.,

- CCL
- Local Transport
- Local Switching

2. From A to C

Wireless Call Type: IntraMTA

Wireline Call Type: Intrastate Local Call

Charges: Intrastate Access:

- No CCL (CCL non-usage sensitive and is recovered from basic local rates)
- Local Transport
- Local Switching

3. From A to D

Wireless Call Type: IntraMTA

Wireline Call Type: Interstate (Local or Toll)

Charges: Full Interstate Access

- CCL
- Local Transport
- Local Switching

4. From A to E

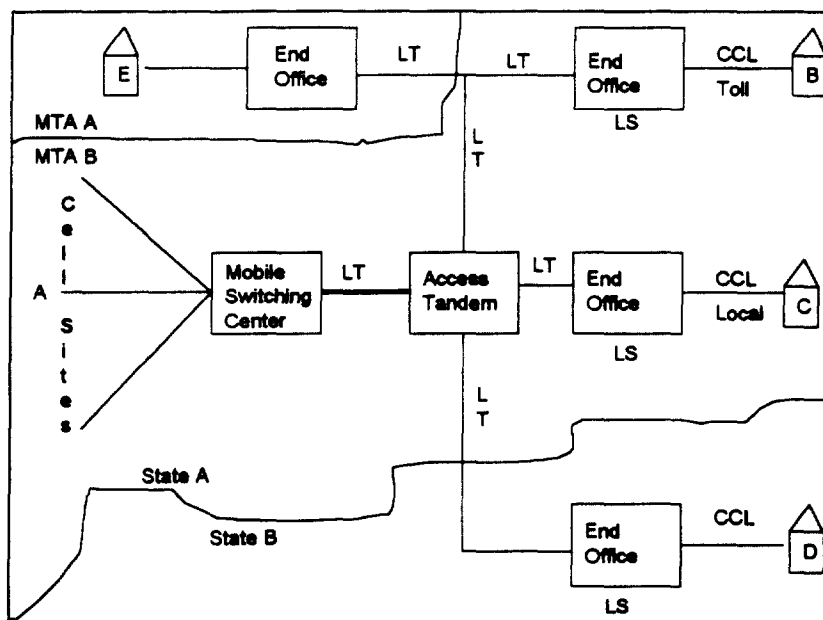
Wireless Call Type: InterMTA

Wireline Call Type: Interstate or Intrastate

Charges: Full Interstate or Intrastate Access

Bell Atlantic Mutual Compensation Plan

Land to Mobile Calling



1. From B to A

Wireless Call Type: IntraMTA

Wireline Call Type: Intrastate Toll Call

Charges: Intrastate Local Transport Access Tandem to MSC (POI)

CCL (recovered from originating caller)

- Local Transport (recovered from originating caller)

- Local Switching (recovered from originating caller)

Less Local Switching credit (reflects use of MSC)

2. From C to A

Wireless Call Type: IntraMTA

Wireline Call Type: Intrastate Local Call

Charges: Intrastate Local Transport - Access Tandem to MSC (POI)

- all other costs recovered from basic local rates

3. From D to A

Wireless Call Type: IntraMTA

Wireline Call Type: Interstate Local Call

Charges: Same as 2.

4. From D to A

Wireless Call Type: IntraMTA

Wireline Call Type: Interstate Toll Call

Charges: Same as 1.

5. From E to A

Wireless Call Type: InterMTA

Wireline Call Type: Interstate or Intrastate Call

Charges: Full Interstate or Intrastate Access

Less Local Message Unit Charges recovered from originating caller

APPENDIX 4

APC traffic mix based on 24 hour traffic totals weekly from 1/5/96 to 2/23/96

		Percentage based on Attempts
Friday 1/5/96	Incoming from PSTN	40.68%
	Outgoing to PSTN	59.32%
Friday 1/12/96	Incoming from PSTN	39.95%
	Outgoing to PSTN	60.05%
Friday 1/19/96	Incoming from PSTN	39.95%
	Outgoing to PSTN	60.05%
Friday 1/26/96	Incoming from PSTN	42.21%
	Outgoing to PSTN	57.79%
Tuesday 1/30/96	Incoming from PSTN	42.94%
	Outgoing to PSTN	57.06%
Friday 2/9/96	Incoming from PSTN	42.24%
	Outgoing to PSTN	57.76%
Friday 2/16/96	Incoming from PSTN	41.50%
	Outgoing to PSTN	58.50%
Friday 2/23/96	Incoming from PSTN	42.45%
	Outgoing to PSTN	57.55%
Average of Above	Incoming from PSTN	41.49%
	Outgoing to PSTN	58.51%